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HOUSE BILL 869

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Eric A. Youngberg

AN ACT

**RELATING TO TAXATION; PROVIDING A PHASED-IN GROSS RECEIPTS TAX
DEDUCTION FOR CERTAIN RECEIPTS FROM SERVICES OF PHYSICIANS.**

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

**Section 1. A new section of the Gross Receipts and
Compensating Tax Act is enacted to read:**

**" [NEW MATERIAL] DEDUCTION--GROSS RECEIPTS--CERTAIN
RECEIPTS FROM SERVICES PROVIDED BY PHYSICIANS. --**

**A. The following percentage of receipts from
payments by managed health care providers for the commercial
portion of contract services provided by a physician may be
deducted from gross receipts:**

**(1) from July 1, 2003 through June 30, 2004,
twenty percent of those receipts;**

(2) from July 1, 2004 through June 30, 2005,

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1 forty percent of those receipts;

2 (3) from July 1, 2005 through June 30, 2006,
3 sixty percent of those receipts;

4 (4) from July 1, 2006 through June 30, 2007,
5 eighty percent of those receipts; and

6 (5) after June 30, 2007, all of those
7 receipts.

8 B. As used in this section:

9 (1) "commercial portion of contract services"
10 means services performed pursuant to a contract with a managed
11 health care provider other than those provided for medicare
12 patients pursuant to Title 18 of the federal Social Security
13 Act or for medicaid patients pursuant to Title 19 of the
14 federal Social Security Act;

15 (2) "managed health care provider" means a
16 person that provides for the delivery of comprehensive basic
17 health care services and medically necessary services to
18 individuals enrolled in a plan through its own employed health
19 care providers or by contracting with selected or participating
20 health care providers. A "managed health care provider"
21 includes only those persons that provide comprehensive basic
22 health care services to enrollees on a contract basis,
23 including the following:

24 (a) health maintenance organizations;

25 (b) preferred provider organizations;

- 1 (c) individual practice associations;
2 (d) competitive medical plans;
3 (e) exclusive provider organizations;
4 (f) integrated delivery systems;
5 (g) independent physician-provider
6 organizations;
7 (h) physician hospital-provider
8 organizations; and
9 (i) managed care services organizations;
10 and

11 (3) "physician" means:

- 12 (a) a physician or physician assistant
13 licensed pursuant to the provisions of Chapter 61, Article 6
14 NMSA 1978; and
15 (b) an osteopathic physician licensed
16 pursuant to the provisions of Chapter 61, Article 10 NMSA 1978
17 or an osteopathic physician's assistant licensed pursuant to
18 the provisions of the Osteopathic Physicians' Assistants Act. "

19 Section 2. EFFECTIVE DATE. --The effective date of the
20 provisions of this act is July 1, 2003.